



6560-50-P

ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R10-OAR-2014-0532, FRL-9924-72-Region 10]

Approval and Promulgation of Implementation Plans; Alaska

AGENCY: Environmental Protection Agency.

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) is proposing to approve and incorporate by reference revisions to the Alaska State Implementation Plan (SIP) submitted on July 1, 2014 and October 24, 2014. These revisions primarily update the adoption by reference of Federal regulations and definitions into the Alaska SIP. The revisions also clarify stationary source permitting rules governing owner-requested emission limits and revise the SIP to reflect the redesignation of the Eagle River area of Anchorage. Upon final action, the Alaska SIP will be updated to reflect recent Federal regulatory changes and actions.

DATES: Comments must be received on or before **[insert date 30 days after date of publication in the Federal Register]**.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-R10-OAR-2014-0532, by any of the following methods:

- www.regulations.gov: Follow the on-line instructions for submitting comments.

- Mail: Kristin Hall, EPA Region 10, Office of Air, Waste and Toxics (AWT-150), 1200 Sixth Avenue, Suite 900, Seattle WA, 98101.
- Email: R10-Public_Comments@epa.gov.
- Hand Delivery: EPA Region 10 Mailroom, 9th Floor, 1200 Sixth Avenue, Suite 900, Seattle WA, 98101. Attention: Kristin Hall, Office of Air, Waste and Toxics, AWT-150. Such deliveries are only accepted during normal hours of operation, and special arrangements should be made for deliveries of boxed information.

Instructions: Direct your comments to Docket ID No. EPA-R10-OAR-2014-0532. The EPA's policy is that all comments received will be included in the public docket without change and may be made available online at www.regulations.gov, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information the disclosure of which is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through www.regulations.gov or e-mail. The www.regulations.gov website is an "anonymous access" system, which means the EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an e-mail comment directly to the EPA without going through www.regulations.gov your e-mail address will be automatically captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, the EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD-ROM you submit. If the EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, the EPA may not be able to consider your comment. Electronic files should

avoid the use of special characters, any form of encryption, and be free of any defects or viruses.

Docket: All documents in the electronic docket are listed in the www.regulations.gov index.

Although listed in the index, some information is not publicly available, i.e., CBI or other information the disclosure of which is restricted by statute. Certain other material, such as copyrighted material, is not placed on the Internet and will be publicly available only in hard copy form. Publicly available docket materials are available either electronically in www.regulations.gov or in hard copy during normal business hours at the Office of Air, Waste and Toxics, EPA Region 10, 1200 Sixth Avenue, Seattle WA, 98101.

FOR FURTHER INFORMATION CONTACT: Kristin Hall at telephone number: (206) 553-6357, e-mail address: hall.kristin@epa.gov, or the above EPA, Region 10 address.

SUPPLEMENTARY INFORMATION: Throughout this document wherever “we”, “us” or “our” is used, it is intended to refer to the EPA.

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I. Background

Section 110 of the Clean Air Act (CAA) specifies the general requirements for states to submit SIPs to implement, maintain and enforce the National Ambient Air Quality Standards

(NAAQS) and the EPA's actions regarding approval of those SIPs. On July 1, 2014 and October 24, 2014, the Alaska Department of Environmental Conservation (ADEC), on behalf of the Governor of Alaska, submitted SIP revisions to the EPA to account for regulatory updates effective October 6, 2013 and November 9, 2014, respectively. These revisions update Alaska Administrative Code Title 18 Environmental Conservation, Chapter 50 Air Quality Control (18 AAC 50) to reflect the adoption by reference of Federal regulations and definitions into the Alaska SIP, and edit associated cross-references to definitions. The revisions also clarify stationary source permitting rules governing owner-requested emission limits, and update the SIP to reflect the redesignation of the Eagle River area of Anchorage to attainment for particulate matter with an aerodynamic diameter less than or equal to a nominal 10 micrometers (PM₁₀).

We note that this action does not address the portions of the July 1, 2014, and October 24, 2014, SIP submittals related to Alaska's nonattainment new source review permitting program. The nonattainment new source review permitting rule updates submitted as part of these revisions were approved in a previous action on January 7, 2015 (80 FR 832). In this action, we are proposing to approve the remainder of the revisions to the Alaska SIP submitted on July 1, 2014 and October 24, 2014. Please see below for our evaluation.

II. EPA Evaluation of Alaska SIP Revisions

A. 18 AAC 50.015 – Air Quality Designations, Classifications and Control Regions

On January 7, 2013, the EPA approved the maintenance plan submitted by ADEC for the Eagle River PM₁₀ nonattainment area and its accompanying request to redesignate the area to attainment for the PM₁₀ NAAQS (78 FR 900). The redesignation became effective on March 8, 2013. Accordingly, in the July 1, 2014, submittal, ADEC revised 18 AAC 50.015 "Air Quality

Designations, Classifications, and Control Regions” to reflect the change. We are proposing to approve the revision to this rule.

B. 18 AAC 50.040 – Federal Standards Adopted by Reference

Guideline on Air Quality Modeling

In the July 1, 2014, submittal, ADEC revised and submitted changes to 18 AAC 50.040 “Federal Standards Adopted by Reference” to update the citation dates incorporating by reference certain Federal requirements into the Alaska SIP. Specifically, ADEC submitted the updated adoption by reference of 40 CFR part 51, Appendix W “Guideline on Air Quality Models” revised as of July 1, 2012. We are proposing to approve this revision as consistent with Federal requirements.

Prevention of Significant Deterioration (PSD)

ADEC also submitted the updated incorporation by reference of Federal PSD permitting regulations at 40 CFR 51.166 and 40 CFR 52.21, revised as of April 1, 2013, which are referenced in ADEC’s major source permitting rules in 18 AAC Chapter 50, Article 3, and relied on to implement ADEC’s SIP-approved PSD permitting program. ADEC excluded from its submittal certain PSD permitting provisions in 40 CFR 51.166 and 40 CFR 52.21 that have been vacated by recent Court decisions, and those provisions are therefore not before the EPA for approval. Specifically, in response to the Court vacatur of the EPA PM_{2.5} significant monitoring concentration (SMC) and significant impact level (SIL) regulations, ADEC did not submit to the EPA for approval the provisions in the Alaska SIP impacted by the Court decision (18 AAC 50.040(h)(7) and (9)). ADEC’s July 1, 2014, submittal cover letter confirms that ADEC intends

to act in accordance with the Court vacatur, and that, although these provisions have not yet been repealed and remain in effect as a matter of State law, ADEC will not apply either the PM_{2.5} SMC provisions at 40 CFR 51.166(i)(5)(i)(c) and 52.21 (i)(5)(i)(c), or the PM_{2.5} SIL provisions at 40 CFR 51.166(k)(2) and 52.21(k)(2) in implementing the State new source permitting program. For a more detailed discussion of this issue, please see our previous action addressing revisions to the State PSD program (proposed May 5, 2014, 79 FR 25533; finalized September 19, 2014, 79 FR 56268).

ADEC also excluded from its submittals the greenhouse gas (GHG) regulatory provision at 40 CFR 52.21(b)(49)(v) that was recently vacated by the Supreme Court and that is adopted by reference in 18 AAC 50.040(h)(4), effective October 6, 2013. On June 3, 2010, the EPA revised Federal PSD permitting rules addressing the application of the requirements to GHG emissions (GHG Tailoring Rule) (75 FR 31514). However, on June 23, 2014, the Supreme Court, in *Utility Air Regulatory Group v. Environmental Protection Agency*,¹ issued a decision addressing the application of PSD permitting requirements to GHG emissions. The Court said that the EPA may not treat GHGs as an air pollutant for purposes of determining whether a source is a major source (or modification thereof) required to obtain a PSD permit. The Court also said that the EPA could continue to require that PSD permits, otherwise required based on emissions of pollutants other than GHGs, contain limitations on GHG emissions based on the application of best available control technology. In order to act consistently with its understanding of the Court's decision pending further judicial action before the U.S. Court of Appeals for the District of Columbia to effectuate the decision, the EPA is not continuing to

¹ 134 S.Ct. 2427 (2014).

apply the EPA regulations that would require that SIPs include permitting requirements that the Supreme Court found impermissible. Specifically, the EPA is not applying the requirement that a state's SIP-approved PSD program require that sources obtain PSD permits when GHGs are the only pollutant (i) that the source emits or has the potential to emit above the major source thresholds, or (ii) for which there is a significant emissions increase and a significant net emissions increase from a modification (*e.g.* 40 CFR 51.166(b)(48)(v)).

The EPA anticipates a need to revise Federal PSD rules in light of the Supreme Court decision. In addition, the EPA anticipates that many states will revise their existing SIP-approved PSD programs in light of the Supreme Court's decision. The timing and content of subsequent EPA actions with respect to the EPA regulations is expected to be informed by additional legal processes before the D.C. Circuit. The EPA is not expecting states to have revised their existing PSD program regulations at this juncture, before the D.C. Circuit has addressed these issues and before the EPA has revised its regulations at 40 CFR 51.166 and 52.21. However, the EPA is evaluating PSD program submissions to assure that state programs correctly address GHGs, consistent with the Supreme Court's decision. Because ADEC has excluded from its SIP submission the GHG Tailoring Rule provision that was vacated by the Supreme Court, that provision is not before the EPA for action.

For the reasons discussed above, we are proposing to determine that the updated incorporation by reference of Federal requirements in 18 AAC 50.040(h) is consistent with CAA requirements for SIP-approved PSD permitting programs.

We note that in both the July 1, 2014, and October 24, 2014, submittals, ADEC included changes to 18 AAC 50.040(i) related to Alaska’s nonattainment new source review permitting program. These changes were previously approved on January 7, 2015 (80 FR 832).

C. 18 AAC 50.225 – Owner-Requested Limits

The July 1, 2014, submittal included a revised version of 18 AAC 50.225 “Owner-Requested Limits,” effective October 6, 2013, that removed paragraph (b)(7). Paragraph (a) of 18 AAC 50.225 specifies that an owner-requested limit under this provision may be requested “to avoid all permitting obligations under AS 46.14.130 [Stationary sources requiring permits].” Paragraph (b)(7) of 18 AAC 50.225 stated that, “if applying all limits does not avoid all permit classifications under AS 46.14 and this chapter, the owner or operator shall submit to the department “a description, and if necessary an application, for the remaining classifications[.]” In the July 1, 2014, submittal, ADEC stated that in 18 AAC 50.225, paragraph (b)(7) contradicts paragraph (a) and that the repeal of (b)(7) merely clarifies the requirements for obtaining owner-requested limits. As explained by ADEC, the State’s interpretation of 18 AAC 50.225 is that a source is only eligible to apply for an owner-requested limit under 18 AAC 50.225 to avoid all stationary source permitting obligations under AS 46.14.130. AS 46.14.130 “Stationary sources requiring permits” is the Alaska statute requiring both title I major new source construction permits and title V major source operating permits.² If all obligations for major new source construction permitting cannot be avoided by requesting an emission limit on the source, then the owner or operator may not apply for an owner requested limit (ORL) under 18 AAC 50.225, but

² Because the SIP addresses section 110 in title I of the CAA, the permitting obligation an owner or operator may seek to avoid through the SIP-approved rule at 18 AAC 50.225 is the obligation to obtain a major new source construction permit.

could instead request an ORL in a permit issued under 18 AAC 508 “Minor Permits Requested by the Owner or Operator.” This provision allows an owner or operator to request a minor permit from the department for “establishing an owner requested limit (ORL) to avoid one or more permit classifications under AS 46.14.130 at a stationary source that will remain subject to at least one permit classification...”

In the July 1, 2014, submittal ADEC asserted that “there is no relaxation of the regulations, as the two types of ORLs allow the applicant to avoid permitting classifications depending on their particular situation.”

We agree with ADEC that the provision at 18 AAC 50.225(b)(7) is potentially confusing and contradictory and that the repeal of that provision clarifies when each of the two provisions authorizing owner-requested limits (18 AAC 50.225 and 18 AAC 50.508) are applicable to owners and operators of stationary sources seeking an emission limit to avoid major permitting obligations. We therefore propose to approve the revision to 18 AAC 50.225.

D. 18 AAC 50.260 – Guidelines for Best Available Retrofit Technology under the Regional Haze Rule

In the July 1, 2014, submittal, ADEC revised this provision to reference the definition of fugitive emissions in 18 AAC 50.990 “Definitions” rather than the statutory definition in AS 46.14.990. The definition of “fugitive emissions” at 18 AAC 50.990(40) states that the term has the meaning given in 40 CFR 51.166(b)(20) in the Federal PSD regulations. This definition is approvable because the PSD definition of “fugitive emissions” in 40 CFR 51.166(b)(20) is identical to the definition of the same term in 40 CFR 51.301 “Definitions” for purposes of 40

CFR part 51, subpart P “Protection of Visibility.”

E. 18 AAC 50.502 – Minor Permits for Air Quality Protection

The October 24, 2014, submittal revised 18 AAC 50.502 “Minor Permits for Air Quality Protection” to add paragraph (h)(5). This paragraph defines “regulated NSR pollutant” for new sources seeking minor permits under 18 AAC 50.502 by adopting by reference the Federal definition of “regulated NSR pollutant” at 40 CFR 52.21(b)(50). This is not a substantive change to Alaska’s minor NSR program because this definition was previously included in 18 AAC 50.900.

F. 18 AAC 50.990 – Definitions

The July 1, 2014, submittal revised the definition of “fugitive emissions” at 18 AAC 50.990(40) to have the meaning given in 40 CFR 51.166(b)(20), as revised as of July 1, 2012. The October 24, 2014, submittal repealed the definition of “regulated NSR pollutant” at 18 AAC 50.990(92). This action does not address these changes because we previously approved them on January 7, 2015 (80 FR 832).

The July 1, 2014, submittal also updated the citation date for the incorporation by reference of the Federal definition of “volatile organic compound” (VOC). The submittal revised 18 AAC 50.990(121) to define “VOC” as the meaning given in 40 CFR 51,100(s) as of April 18, 2013. We note that the Federal definition has been revised since April 18, 2013. Specifically, on October 22, 2013, the EPA removed constituents from the definition of VOC (78 FR 62451). While the definition in Alaska’s rule is not identical to the Federal definition, the Alaska definition is more stringent and therefore approvable.

III. Proposed Action

The EPA is proposing to approve and incorporate by reference into the Alaska SIP changes to the following provisions submitted on July 1, 2014 and October 24, 2014:

- 18 AAC 50.015 “Air Quality Designations, Classifications, and Control Regions” (State effective 10/6/2013);
- 18 AAC 50.040 “Federal Standards Adopted by Reference” (State effective 10/6/2013);
- 18 AAC 50.225 “Owner-Requested Limits” (State effective 10/6/2013);
- 18 AAC 50.260 “Guidelines for Best Available Retrofit Technology under the Regional Haze Rule” (State effective 10/6/2013);
- 18 AAC 50.502 “Minor Permits for Air Quality Protection” (State effective 11/9/2014);
and
- 18 AAC 50.990 “Definitions” (State effective 11/9/2014).

We have made the preliminary determination that the submitted SIP revisions are approvable because they are consistent with section 110 and part C of title I of the CAA. We note that this action does not address the submitted revisions related to Alaska’s nonattainment NSR permitting program because we approved those changes on January 7, 2015 (80 FR 832).

IV. Incorporation by Reference

In this rule, the EPA is proposing to include in a final rule regulatory text that includes incorporation by reference. In accordance with requirements of 1 CFR 51.5, the EPA is proposing to incorporate by reference the provisions described above in **Section III. Proposed Action**. The EPA has made, and will continue to make, these documents generally available electronically through www.regulations.gov and/or in hard copy at the appropriate EPA office

(see the ADDRESSES section of this preamble for more information).

V. Statutory and Executive Order Reviews

Under the CAA, the Administrator is required to approve a SIP submission that complies with the provisions of the CAA and applicable Federal regulations. 42 U.S.C. 7410(k); 40 CFR 52.02(a). Thus, in reviewing SIP submissions, the EPA's role is to approve state choices, provided that they meet the criteria of the CAA. Accordingly, this proposed action merely approves state law as meeting Federal requirements and does not impose additional requirements beyond those imposed by state law. For that reason, this proposed action:

- is not a “significant regulatory action” subject to review by the Office of Management and Budget under Executive Orders 12866 (58 FR 51735, October 4, 1993) and 13563 (76 FR 3821, January 21, 2011);
- does not impose an information collection burden under the provisions of the Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*);
- is certified as not having a significant economic impact on a substantial number of small entities under the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*);
- does not contain any unfunded mandate or significantly or uniquely affect small governments, as described in the Unfunded Mandates Reform Act of 1995 (Public Law 104-4);
- does not have Federalism implications as specified in Executive Order 13132 (64 FR 43255, August 10, 1999);
- is not an economically significant regulatory action based on health or safety risks subject to Executive Order 13045 (62 FR 19885, April 23, 1997);

- is not a significant regulatory action subject to Executive Order 13211 (66 FR 28355, May 22, 2001);
- is not subject to requirements of Section 12(d) of the National Technology Transfer and Advancement Act of 1995 (15 U.S.C. 272 note) because it does not involve technical standards; and
- does not provide the EPA with the discretionary authority to address, as appropriate, disproportionate human health or environmental effects, using practicable and legally permissible methods, under Executive Order 12898 (59 FR 7629, February 16, 1994).

In addition, the SIP is not approved to apply on any Indian reservation land or in any other area where the EPA or an Indian tribe has demonstrated that a tribe has jurisdiction. In those areas of Indian country, the rule does not have tribal implications as specified by Executive Order 13175 (65 FR 67249, November 9, 2000), nor will it impose substantial direct costs on tribal governments or preempt tribal law.

List of Subjects in 40 CFR Part 52

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Particulate matter, Reporting and recordkeeping requirements.

Authority: 42 U.S.C. 7401 *et seq.*

Dated: March 6, 2015.

Dennis J. McLerran,

Regional Administrator,

Region 10.

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